



Current-account deficit: \$1,075 million in the first quarter, better than expected (-\$2.3 billion) and better than last year (-\$2.6 billion)

- The balance of payments registered a current account deficit in the first quarter of this year of \$1,075 million, a negative balance in the capital account of \$3,939 million and a reduction in international reserves of \$6,585 million.
- The current account deficit for the period is the lowest since 1997, and is equivalent to 0.5% GDP. Compared with the previous year the difference was almost entirely the result of factor services, with adjustments becoming effective at the close of 2008, both in tourism and in spending related to foreign trade.
- Capital debt registered an outflow of resources of nearly four billion pesos, with negative flows in debt and assets (mainly investment) and foreign investment income of \$3.6 billion. FDI of \$2.7 billion compares unfavorably with previous years. It reflects the difficult situation, but is still enough to finance the current account deficit.
- Outlook: The continuing slowdown in the Mexican economy has been reflected in imports closing the gap in the trade deficit and thus in the current account deficit. As a result, the trend for our annual estimate is positive.

Balance of Payments

	1Q08	1Q09	Absolute chge
	(Million US dollars)		
Current Account	-2,576.3	-1,075.3	1,500.9
Capital Account	8,772.2	-3,939.1	-12,711.3
Errors and Omissions	-155.7	-1,582.5	-1,426.9
Change Net Int Reserves	6,050.8	-6,585.0	-12,635.8
Valuation Adjustments	-10.5	-12.0	-1.5

Current Account

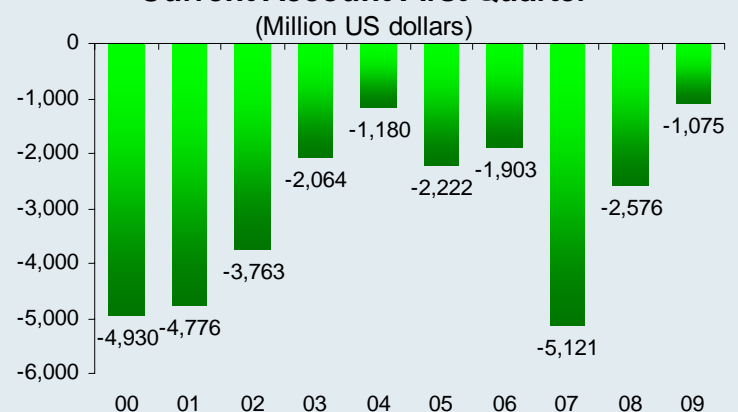
	1Q08	1Q09	Absolute chge
	(Million US dollars)		
Current Account	-2,576.3	-1,075.3	1,500.9
Trade balance	-1,647.8	-1,890.3	-242.5
Non factor servic	-792.3	-704.9	87.4
Factor services	-5,988.4	-4,019.3	1,969.0
Transfers	5,852.2	5,539.2	-313.0

Capital Account

Million US dollars

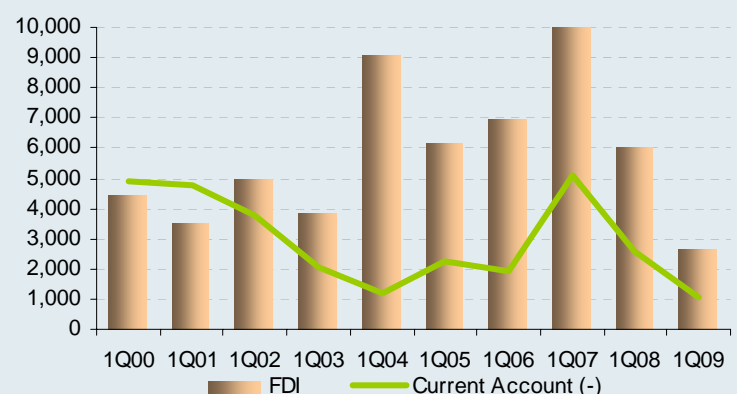
	1Q08	1Q09	Absolute chge
Capital Account	8,772	-3,939	-12,711
Liabilities	11,801	1,700	-10,101
Indebtedness	1,861	-1,932	-3,793
Foreign investm	9,940	3,632	-6,308
Direct	5,994	2,663	-3,331
Portfolio	3,946	969	-2,977
Assets	-3,029	-5,639	-2,610

Current Account First Quarter



FDI and Current Account

(Million US dollars)



Source: BBVA Bancomer based on Banxico data